

AMENDED IN ASSEMBLY JUNE 30, 2003

AMENDED IN ASSEMBLY JUNE 26, 2003

SENATE BILL

No. 244

Introduced by Senator Speier

February 14, 2003

An act to add Section 1375.12 to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 244, as amended, Speier. Health care provider contracts.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act's provisions a crime. Under the act, all contracts by a plan with a provider are required to be fair and reasonable and contain specified provisions.

This bill would additionally require that a contract between a health care service plan and a provider contain a provision for its extension for a period not exceeding 6 months if the parties cannot agree on a new contract. The bill would require that the contract contain provisions relating to the provider's continuity of care obligations under those circumstances.

Because the bill would specify additional requirements under the act, the violation of which would be a crime, it would impose a state-mandated local program.

This bill would provide that it would become operative only if A.B. 1286 of the 2003–04 Regular Session is enacted and becomes effective on or before January 1, 2004.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1375.12 is added to the Health and
2 Safety Code, to read:

3 1375.12. A contract between a health care service plan and a
4 provider executed by the parties on or after January 1, 2004, shall
5 contain a provision for its extension for a period not to exceed six
6 months, if the plan and provider are unable to agree upon a new
7 contract. The contract between a plan and a provider shall describe
8 the provider's obligation under this section to provide continuity
9 of care upon the contract's termination. The contract between a
10 plan and a provider shall also include the terms and conditions,
11 including the rate and method of payment to the provider for
12 services provided pursuant to this section after the contract's
13 termination. The department shall review all communication from
14 a plan or a terminated provider to an enrollee that concerns the
15 continuity of care by the terminated provider.

16 SEC. 2. *This act shall become operative only if Assembly Bill*
17 *1286 of the 2003–04 Regular Session is enacted and becomes*
18 *effective on or before January 1, 2004.*

19 SEC. 3. No reimbursement is required by this act pursuant to
20 Section 6 of Article XIII B of the California Constitution because
21 the only costs that may be incurred by a local agency or school
22 district will be incurred because this act creates a new crime or
23 infraction, eliminates a crime or infraction, or changes the penalty
24 for a crime or infraction, within the meaning of Section 17556 of
25 the Government Code, or changes the definition of a crime within
26 the meaning of Section 6 of Article XIII B of the California
27 Constitution.

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